

AGENDA
FREMONT REDEVELOPMENT AGENCY REGULAR MEETING
JULY 13, 2010
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

2.1 Approval of Minutes – None.

3. PUBLIC COMMUNICATIONS

3.1 Oral and Written Communications

4. PUBLIC HEARINGS – None.

5. OTHER BUSINESS

5.1 Report Out from Closed Session of Any Final Action

5.2 **ADOPT RESOLUTIONS TO FACILITATE THE DESIGNATION OF BOUNDARIES OF THE "SOUTH FREMONT/WARM SPRINGS SURVEY AREA" AS A REDEVELOPMENT SURVEY AREA AND AUTHORIZE STAFF TO PROCEED WITH A PLAN ADOPTION PROCESS**

Authorize Staff to Proceed with the Plan Adoption Process in Accordance with the California Redevelopment Law, and to Prepare All Required Environmental Documentation for the Plan in Accordance with the California Environmental Quality Act; and Approve Execution of Cooperation and Reimbursement Agreement for Costs of Plan Preparation

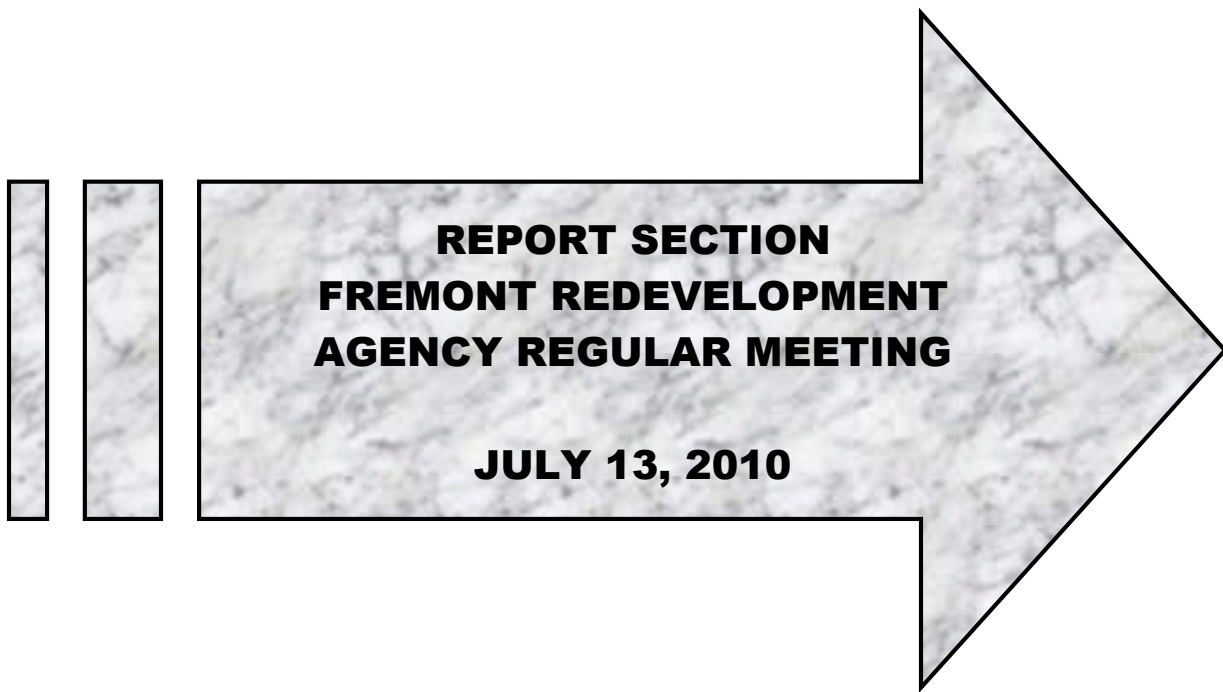
Contact Person:

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Phone:	510-284-4013	510-494-4501
E-Mail:	mwilliams@fremont.gov	etierney@fremont.gov

RECOMMENDATION:

1. Authorize staff to proceed with the Redevelopment Plan adoption process, determine that no project area committee is required and call for community consultations regarding the Redevelopment Plan, and designate lead and responsible agency for preparation of environmental documents; and
2. Approve execution of Cooperation and Reimbursement Agreement for costs of Redevelopment Plan preparation.

6. ADJOURNMENT



5.1 Report Out from Closed Session of Any Final Action

5.2 ADOPT RESOLUTIONS TO FACILITATE THE DESIGNATION OF BOUNDARIES OF THE “SOUTH FREMONT/WARM SPRINGS SURVEY AREA” AS A REDEVELOPMENT SURVEY AREA AND AUTHORIZE STAFF TO PROCEED WITH A PLAN ADOPTION PROCESS

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Contact Person:

Name:	Maya Williams	Elisa Tierney
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Note: A companion item is on the City Council’s agenda.

Executive Summary: Staff recommends Agency Board adoption of two [resolutions](#) to facilitate the designation of the former NUMMI plant site and surrounding area as the “South Fremont/Warm Springs Survey Area” (Survey Area) under the California Community Redevelopment Law (CRL) [and to take related actions described below](#). The proposed Survey Area designation is the first step required under the CRL in the preparation and adoption of a proposed redevelopment plan (Redevelopment Plan) to establish a South Fremont/Warm Springs Redevelopment Project Area (Project Area) within all or a qualifying portion of the Survey Area. Ultimately, such a proposed plan would be considered for adoption by the City Council. The purpose of adopting a new Redevelopment Plan would be to provide the Redevelopment Agency (Agency) with the legal framework and financial resources necessary to stimulate site reuse and revitalization of the NUMMI site and surrounding portions of the South Fremont/Warm Springs area.

If approved, the resolutions would authorize staff to proceed with the preparation of a Redevelopment Plan, including preparation of financial and planning reports required under the CRL; preparation of an environmental impact report (EIR) for the Redevelopment Plan under the California Environmental Quality Act (CEQA); consultations with local property owners, residents, businesses and community organizations; consultations with local governmental agencies that receive property taxes from the Survey Area and any resulting Project Area; and to conduct the required public hearings. In connection with this authorization to proceed, the City Council and Agency are asked to 1) designate the City as the “lead agency” and the Agency as the “responsible agency” for preparation of the EIR, and 2) to determine, in accordance with the CRL, that the nature and scope of the proposed Redevelopment Plan does not require formation of a project area committee because the Survey Area and any resulting Project Area does not contain a substantial number of residents.

The recommended resolutions would also authorize the City to lend the Agency the financial resources necessary to conduct the Redevelopment Plan adoption process and direct the Agency to reimburse the City, using tax increment generated from the Project Area, if the City Council ultimately determines to adopt a Redevelopment Plan.

BACKGROUND: New United Motor Manufacturing, Incorporated (NUMMI) was established in 1984 when General Motors (GM) entered into a partnership with Toyota to reuse a vacant auto manufacturing plant formerly operated by General Motors. For over 25 years, this successful partnership produced automobiles at NUMMI, but due to recent economic hardship and the bankruptcy of GM, the plant closed on March 31, 2010.

The 380-acre, 5.5 million square foot NUMMI plant site was a major employer for Fremont and the State. Its closure results in about 4,700 unemployed workers, many of whom live in Fremont, with an estimated 25,000 people affected in affiliate industries.

Upon learning of NUMMI's closure plans, the City of Fremont began working closely with local, regional, and State officials to examine ways to keep the plant open. Since the closure, City officials have continued exploring options for NUMMI plant reuse. [While the May 20th news release regarding Tesla Motors' intention to reuse a portion of the NUMMI site is most welcome and promising, staff believes it is prudent to continue to explore all means to assure full and rapid reuse of the entire property and surrounding area, including the potential tools provided by redevelopment as further described below.](#)

Given the unique nature of auto plant and regional manufacturing facility closures and the scale and size of the NUMMI site, staff envisions redevelopment as an effective tool to facilitate development in the Warm Springs area. Adoption of a new Redevelopment Plan and establishment of a new Project Area within all or a portion of the proposed Survey Area consisting of the NUMMI site and the surrounding area will provide the Agency with the tools and resources to stimulate new employment opportunities; eliminate blighting influences; eliminate environmental threats and hazardous materials; and enhance the City's economic base by facilitating private sector development of vacant and underutilized properties to viable uses.

To begin the evaluation of the feasibility of a proposed Redevelopment Plan, the City engaged Seifel Consulting, Inc., an urban real estate and redevelopment consulting firm, to prepare an initial redevelopment feasibility study (Seifel Report). The Seifel Report recommends boundaries for the proposed Survey Area, sets forth a preliminary evaluation of how significant portions of the Survey Area might qualify for redevelopment under CRL standards, and outlines the process for preparation and adoption of a Redevelopment Plan. A copy of the Seifel Report is attached to this staff report.

DISCUSSION/ANALYSIS: In accordance with the CRL, the initial step in the Redevelopment Plan process is the designation of a Survey Area. The purpose of the Survey Area is to define the boundaries of the area that will undergo further analysis to determine whether the formation of a new redevelopment project area is feasible. The final Project Area must be within the adopted Survey Area boundaries.

Exhibit A shows the Proposed Survey Area that was established after discussions with City staff and subsequently confirmed through windshield surveys and preliminary data analysis by Seifel Consulting as further described in the Seifel Report. The proposed Survey Area is approximately 1,250 acres and includes the NUMMI property. It is important to note that, in order for a new Redevelopment Plan to be adopted and a new Project Area to be created, blighting factors in the form of adverse physical and economic conditions must exist and be prevalent and substantial to the extent that they constitute a serious burden for the community. The attached Seifel Report (pages 9-12) discusses the preliminary assessment of existing physical and economic conditions that might qualify all or portions of the proposed South Fremont/Warm Springs Survey Area.

If the City Council and Agency take the actions recommended in the Seifel Report and this staff report, staff will next work with legal counsel, redevelopment consultants, and the Planning Commission to conduct a more detailed evaluation of the qualification of all or portions of the Survey Area, leading to the possible adoption by the Planning Commission of a Preliminary Redevelopment Plan and designation of a formal Project Area within the Survey Area. The Seifel Report summarizes the succeeding major steps in the Redevelopment Plan adoption process (pages 25-28), which typically require 18-24 months to complete.

The Seifel Report and staff further recommend that any Project Area established within the Survey Area for the South Fremont/Warm Springs area be structured as a separate, free-standing redevelopment project area that is not merged with the City's existing Fremont Merged Redevelopment Project Area. In that manner, the separate financial resources generated by the Merged Project Area and any new South Fremont/Warm Springs Project Area will be dedicated back to the revitalization of the particular project area from which the respective financial resources have been generated.

For some time, it has been recognized that the South Fremont/Warm Springs area has potential for significant growth, [if the area's physical and economic barriers can be overcome to create an environment conducive to private sector investment](#). The planned construction of a South Fremont/Warm Springs BART station has led to consideration of alternative land use patterns in the area that may include transit-oriented development (TOD) and a mix of land uses, with greater development concentration in the vicinity of the proposed BART Station. The City's General Plan Update 2030, currently underway, will designate an area, similar to the Survey Area (and any resulting Project Area), for further evaluation and planning, leading to preparation and adoption of a Community Plan for the South Fremont/Warm Springs area to be incorporated in the General Plan. The Community Plan will discuss future development and land uses for the South Fremont/Warm Springs area, including the reuse of the NUMMI property.

As discussed at the April 13, 2010 City Council meeting, staff will devote the next few months to developing an economic development strategy; land use planning alternatives; infrastructure needs evaluation; and financial analyses for the South Fremont/Warm Springs area through studies funded in part by a grant from the Economic Development Administration. In anticipation of the studies, on May 4, 2010, the City Council approved Guiding Principles for the South Fremont/Warm Springs area. Staff envisions that the Redevelopment Plan will be prepared in close coordination with this work and the subsequent preparation of the Community Plan. Staff further envisions the opportunity for preparing a single integrated EIR as the CEQA evaluation document for both the Redevelopment Plan and the

Community Plan.

According to the Seifel Report, the proposed Survey Area does not include land designated for residential use. Of the approximately 1,250 acres constituting the proposed Survey Area, at most there are five to seven residential units that may be present in the area. On this basis, the CRL does not require formation of a Project Area Committee. Instead, staff proposes to conduct a vigorous program of community consultation as part of the combined Redevelopment Plan and Community Plan preparation efforts.

FISCAL IMPACT: As is common practice for the preparation of a new redevelopment plan for a new redevelopment project area, staff recommends that the City advance the costs to prepare the proposed Redevelopment Plan for consideration by the City Council. It is further recommended that the City and the Agency enter into a Cooperation and Repayment Agreement (see attached) whereby the City agrees to provide the necessary funding for the costs of Redevelopment Plan preparation and the Agency agrees to repay the funds provided by the City, with interest, from future tax increment that may be generated by the Project Area, if the City Council, acting in its policy discretion, subsequently adopts the Redevelopment Plan and establishes the Project Area. For this purpose, staff has prepared a form of Cooperation and Repayment Agreement for consideration by the City Council and Agency Board.

As noted in this staff report and as further detailed in the accompanying Seifel Report, the Redevelopment Plan adoption process involves an intensive multi-year effort that encompasses detailed CRL and CEQA documentation and major outreach to property owners, community and business interests, and other local governmental entities. The effort requires significant investment of staff time and retention of experts in the fields of redevelopment, environmental review, and civil engineering.

If the City Council and Agency Board determine to proceed with a Redevelopment Plan adoption process, staff expects initial costs of \$236,500. This estimated amount will allow staff to engage a consultant to assist in developing a Preliminary Plan for presentation to the Planning Commission and other statutory requirements required by the CRL.

Item	Estimated Amount
<i>*Consultants (redevelopment, fiscal, legal)</i>	\$190,000
<i>Staff Costs</i>	\$ 20,000
<i>Public Noticing, Mailing and Outreach</i>	\$ 5,000
<i>Contingency 10%</i>	\$ 21,500
Estimated Total	\$236,500

**This amount includes \$72,500 that has already been approved for expenditure for the feasibility study (Seifel Report).*

Staff recommends that the Cooperation and Repayment Agreement provide for a City advance of the financial resources necessary to conduct the Redevelopment Plan adoption process. As consultants are retained and the respective scopes of services are further refined and negotiated, staff will bring such contracts to the City Council and/or Agency Board for consideration.

ENVIRONMENTAL REVIEW: Adoption of the proposed Survey Area is the initial step toward potential adoption of a Redevelopment Plan that would facilitate the development of blighted, underutilized and contaminated sites for uses consistent with the City's General Plan, as updated through the Community Plan preparation process.

Adoption of the Survey Area boundary and the related recommended City Council and Agency Board actions do not constitute formal approval of any project at this time, but instead are simply the beginning steps under the CRL and CEQA for an extensive planning process that may ultimately lead to City Council approval of a Redevelopment Plan. Consequently, the actions recommended in this staff report do not require preparation and consideration of a CEQA evaluation document. As highlighted in this report, if the City Council and Agency Board determine to proceed with a Redevelopment Plan adoption process, a key element of that process will be the preparation of an EIR that will address the potential environmental impacts of adoption and implementation of the Redevelopment Plan (and, potentially, an accompanying Community Plan addition to the City's General Plan). The EIR will be based on studies completed in the next year with funding from the Economic Development Administration and it will be the CEQA document available to the City Council and Agency Board for consideration and adoption of the Redevelopment Plan (and Community Plan, if appropriate).

ENCLOSURES:

- [Report from Seifel Consulting, Inc.](#)
- [Proposed Survey Area Map \(Exhibit A\)](#)
- [Proposed Cooperation and Repayment Agreement](#)
- [Resolution of the Redevelopment Agency Authorizing Staff to Proceed With the Preparation of a Redevelopment Plan](#)
- [Resolution of the Redevelopment Agency Authorizing the Funding and Execution of a Proposed Cooperation and Repayment Agreement with the City of Fremont for Redevelopment Plan Preparation](#)

RECOMMENDATION:

1. Authorize staff to proceed with the Redevelopment Plan adoption process, determine that no project area committee is required and call for community consultations regarding the Redevelopment Plan, and designate lead and responsible agency for preparation of environmental documents; and
2. Approve execution of Cooperation and Reimbursement Agreement for costs of Redevelopment Plan preparation